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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA
AT ANCHORAGE

ALASKA RENT-A-CAR, INC.,

Plaintiff,

v.

CENDANT CORPORATION, et al.,

Defendants.

Case No. A03-029 CV [TMB]

DECLARATION OF KAREN SCLAFANI

I, Karen Sclafani, of full age, hereby declare as follows.

1. I hold the position of Executive Vice President and General Counsel of Avis Budget Group, formerly known as Cendant Corporation ("Cendant"). Avis Budget Car Rental, LLC, formerly known as Cendant Car Rental Group, Inc. ("CCRG"), is a subsidiary of Avis Budget Group. In order to avoid confusion with the caption of this matter, I will continue to refer to Cendant and CCRG. Avis Rent A Car System, LLC ("Avis") and Budget Rent A Car System, Inc. ("Budget") are subsidiaries of CCRG. As General Counsel, I am responsible for the

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overall legal aspects of the operation of Cendant. In that capacity, I also have knowledge of, and access to, records with respect to their contracts and to the overall corporate structure of Cendant. I make this Declaration in support of CCRG's Motion to Maintain Documents Under Seal. This Declaration is made based on my personal knowledge and upon the records of CCRG.

2. CCRG expends substantial resources in developing, researching, and formulating the information contained in its Corporate Pricing Approval Forms ("CPAFs"), Commercial Account Pricing Scales, Corporate Rate Agreements ("Corporate Contracts"), Strategic Plans, and Marketing Plans.

3. CPAFs are forms used by CCRG, its pricing department, and the corporate account sales force to determine the various rates and other terms that will be offered to prospective and current national corporate accounts. The CPAFs give the pricing department and the account sales force the tools to effectively negotiate contracts with national corporate accounts. CPAFs frequently contain discussion of pricing and negotiation strategy with respect to a particular account, terms that were considered but rejected or modified, insight into broader pricing strategy parameters, and other highly confidential business information.

4. The figures in CCRG's Commercial Account Pricing Scales act as a template in the negotiations between CCRG's businesses and their corporate account holders. CCRG's Commercial Account Pricing Scales contain listings of pricing structures for prospective national corporate accounts. CCRG's corporate account sales force utilizes the information contained in the Commercial Account Pricing Scales to conduct negotiations with national corporate account holders.

5. Corporate Contracts are negotiated agreements between CCRG and various national corporations guaranteeing prices and rates for car rentals to national corporate account

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holders at CCRG's corporate locations. The Corporate Contracts contain discussion of pricing with respect to a particular national corporate account.

6. CCRG's Strategic Plans contain the goals for CCRG's businesses during a delineated period of time, a detailed list and evaluation of possible threats to the businesses, price analyses, financial projections, and future business initiatives. CCRG's Strategic Plans contain information and projections regarding the future development of CCRG's businesses.

7. CCRG's Marketing Plans contain in-depth evaluations of branding strategies and analyses of current business initiatives and the marketing that will further those business initiatives. CCRG employs the recommendations and evaluations contained in its Marketing Plans in the daily operation of its businesses.

8. CPAFs, Commercial Account Pricing Scales, Corporate Contracts, Strategic Plans, and Marketing Plans contain highly confidential information.

9. CCRG has kept the CPAFs, Commercial Account Pricing Scales, Corporate Contracts, Strategic Plans, and Marketing Plans confidential by distributing them only to persons with a need to know.

10. CCRG's business success can be attributed at least in part to the information that is collected and analyzed in the CPAFs, Commercial Account Pricing Scales, Corporate Contracts, Strategic Plans, and Marketing Plans.

11. Public disclosure of any of the CPAFs would harm CCRG by revealing its pricing and negotiation strategies and insights into broader pricing strategy parameters to its competitors. CCRG competitors could use the information in the CPAFs to threaten CCRG's relationships with its current and prospective national corporate account holders by allowing competitors the ability to knowingly undercut CCRG's deals made with corporate account holders.

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12. Public disclosure of any of the Commercial Account Pricing Scales would harm CCRG by revealing the basis for CCRG's negotiations with certain existing and prospective national corporate accounts to its competitors. CCRG competitors could use the information in CCRG's Commercial Account Pricing Scales to threaten CCRG's relationships with its current and prospective national corporate account holders by allowing competitors the ability knowingly to undercut CCRG's pricing with corporate account holders.

13. Public disclosure of any of the Corporate Contracts would harm CCRG by revealing its pricing strategies and structures with its national corporate account holders to CCRG competitors. CCRG competitors could use the information in the Corporate Contracts to threaten CCRG's relationships with its current national corporate account holders by giving competitors the knowledge of the exact date that the terms of the Corporate Contracts expire and the contract amount that CCRG has historically negotiated with its national corporate account holders. With this knowledge, competitors would have an increased ability to target CCRG's national corporate accounts and to knowingly undercut CCRG's deals made with corporate account holders.

14. Public disclosure of any of the Strategic Plans would harm CCRG by revealing its internal evaluations of its business risks, pricing strategies, financial projections, and future business initiatives to its competitors. CCRG competitors could use the information in CCRG's Strategic Plans to threaten CCRG's competitive standing in its businesses.


15. Public disclosure of any of the Marketing Plans would harm CCRG by revealing its branding strategies, analyses of current business initiatives and the marketing that will accompany future initiatives to its competitors. CCRG competitors could use the information in CCRG's Marketing Plans to threaten CCRG's competitive standing in its businesses.

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I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 12, 2007.



Karen Scialfani